MICHAEL K. JEANES
Clerk of the Superior Court

By ANA-MARIE JAMES, Deputy
Date 02/06/2009 Time 01:36 PM 1:36
Description Qty Amount 003575
CASE# CV2009-003575
COM NO TRIAL FEE 001 286.00

TOTAL AMOUNT 286.00
Receipt# 00010639757

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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

CIBNEY R. BELLO, Plaintiff, vs. WASHINGTON MUTUAL BANK, FSA; LONG BEACH MORTGAGE COMPANY; LONG BEACH SECURITIES CORPORATION; LONG BEACH MORTGAGE LOAN TRUST 2006-6; DEUTSCHE BANK NATIONAL TRUST COMPANY, N.A.; WAMU CAPITAL CORPORATION; PACIFIC GOLD MORTGAGE GROUP, LLC.; CREDIT SUISSE INTERNATIONAL; CALIFORNIA RECONVEYANCE COMPANY; JOHN DOES 1-1000; JANE DOES 1-1000; ABC CORPORATIONS I-XX; AND XYZ PARTNERSHIPS I-XX Defendants	Case No.: CV2009 003575 **VERIFIED COMPLAINT** **JURY TRIAL REQUESTED**

BRIEF IN SUPPORT OF MOTION FOR TEMPORARY RESTRAINING ORDER

1 Plaintiff, CIBNEY R. BELLO, has filed the instant lawsuit against Defendants WASHINGTON MUTUAL BANK, FSA; LONG BEACH MORTGAGE COMPANY; LONG BEACH SECURITIES CORPORATION; LONG BEACH MORTGAGE LOAN TRUST 2006-6; DEUTSCHE BANK NATIONAL TRUST COMPANY, N.A.; WAMU CAPITAL CORPORATION; PACIFIC GOLD MORTGAGE GROUP, LLC.; CREDIT SUISSE

INTERNATIONAL; CALIFORNIA RECONVEYANCE COMPANY; JOHN DOES 1-1000; JANE DOES 1-1000; ABC CORPORATIONS I-XX; AND XYZ PARTNERSHIPS I-XX alleging violations of the Truth in Lending Act, the Real Estate Settlement Process Act, and state law arising from a mortgage loan between the parties. Because Defendants WASHINGTON MUTUAL BANK, FSA., and CALIFORNIA RECONVEYANCE COMPANY have failed to adjourn the Trustee's sale scheduled for February 09, 2009 at 10:00 AM (EXHIBIT M Note: Sale is currently postponed from original sale date of December 29, 2008), Plaintiff has filed a Motion for Temporary Restraining Order.

I. JURISDICTION AND VENUE

2 This Court has Jurisdiction over matters related to the emergency, injunctive, provisional and equitable relief sought herein, pursuant to the agreements of the parties referenced below.

3 The facts and circumstances that brought the plaintiff under Arizona State Court jurisdiction are that this complaint involves violations of Federal and State Law and the plaintiff and defendants are citizens of different states.

4 As a whole, the complaint is based on actual count of facts and claims based on State and Federal Law since plaintiff has pursued and exhausted all administrative remedies prior the filing of this action in Court.

5. The issue is covered by the Rule of law which are A.R.S. § 44-1521, *et.seq.*; A.R.S. § 33-420, *et.seq.*; 28 U.S.C § 1331; 28 U.S.C § 1332; 28 U.S.C § 1367; 28 U.S.C § 1391; 15 U.S.C § 1692; 12 U.S.C § 2614; 12 U.S.C. Chapter 38; Jurisdiction, Title 12, Regulation Z, Part 226.1(c)(3).

6 This Court has subject matter jurisdiction related to emergency, injunctive, provisional and equitable relief sought herein. Proper venue is within this Honorable Court pursuant Ariz.Rev.Stat.Ann. 12-401, *et.seq.*

7 This action is brought, for among other purposes, to restrain and enjoin the Defendants, their agents, employees, representatives, lawyers, directors and officers, from taking

any action to improperly transfer, dispose of, or use the property of Plaintiffs to foreclose and gain possession of Plaintiffs' Property.

II. THE PARTIES

8 Plaintiff CIBNEY R. BELLO is a married man, living in the State of Arizona at all times relevant to this Complaint.

9 Plaintiff is a "consumer" as defined by TILA, 15 U.S.C. §1602(h) and Federal Reserve Board Regulation Z, 12 C.F.R. § 226.2(a)(11).

10 Defendant WASHINGTON MUTUAL BANK, a Federal savings Association (SERVICER) and doing business in the State of Arizona.

11 Defendant LONG BEACH SECURITIES CORPORATION, upon information and belief, (DEPOSITOR) a corporation organized under the laws of Delaware and doing business in the State of Arizona.

12 Defendant LONG BEACH MORTGAGE COMPANY, upon information and belief, (SPONSOR) a corporation organized under the laws of Delaware and doing business in the State of Arizona.

13 Defendant LONG BEACH MORTGAGE LOAN TRUST 2006-6, upon information and belief, (ISSUING ENTITY/SPECIAL PURPOSE VEHICLE) a Delaware statutory trust and doing business in the State of Arizona.

14 Defendant WAMU CAPITAL CORPORATION, upon information and belief, (UNDERWRITER) a ......

15 Defendant PACIFIC GOLD MORTGAGE GROUP, LLC., upon information and belief, (ORIGINATOR) organized under the laws of t State of Arizona.

16 Defendant CREDIT SUISSE INTERNATIONAL, upon information and belief, (SWAP COUNTERPARTY) a......

17 Defendant DEUTSCHE BANK NATIONAL TRUST COMPANY, upon information and belief, (TRUSTEE) a national banking association.....

18 Defendants JOHN DOES 1-1000; JANE DOES 1-1000; ABC CORPORATIONS I-XX; AND XYZ PARTNERSHIPS I-XX are persons or entities that are unknown to Plaintiffs. Their capacities are unknown. Plaintiffs allege that they are in some way involved in the actions complained of herein as either independent actors, or as agents or principals of the other named Defendants. Plaintiff will amend this complaint to allege their true identities, capacities and roles as and when they are ascertained.

III. SECURITIZATION BACKGROUND

19 The participants in the securitization scheme described herein have devised business plans to reap millions of dollars in profits at the expense of Plaintiff and other investors in certain trust funds.

20 The mortgage market changed in recent years from one in which lenders originated mortgages for retention in their own portfolios to one in which lenders attempted to generate as many mortgage loans as possible for resale on the secondary mortgage market. The goal of lenders, such as Defendants, were to generate high loan volumes, originate loans above market interest rates for the premium prices paid at the secondary market, and becoming the servicers of those loans generated.

21 Securitization is the financial technology that integrates the market for residential mortgages with the capital markets. In securitization, investment banks take pools of home loans, carve up the cash flows from those receivables, and convert the cash flows into bonds that are secured by the mortgages. The bonds are variously known as residential mortgage-backed securities (RMBS) or asset-backed securities (ABS).

22 Securitization goes by the moniker "structured finance," in part because a securitizer structures the transaction to isolate the loan pool from the original lender. This is accomplished by selling the loan pool to a special purpose vehicle or "SPV" that is owned by, but legally distinct from, the lender. The SPV then resells the loan pool to a second SPV, which is also independent of the lender and takes title to the bundle. The second SPV is typically in the form of a trust. This two-tiered structure protects investors by preventing lenders' creditors from

reaching the assets backing the securities in case the lender goes bankrupt. Bankruptcy remoteness also boosts ratings of securitized offerings.

23 Rating agencies evaluate and rate securitized loan pools. To the extent that SPVs protect investors from the risk of the lender's bankruptcy, it is often possible for the loan bundle to earn a higher rating than the lender itself would receive. In this way, "non-investment grade and unrated originators (the majority of the market) [can] create investment-grade transactions." After the loans are transferred to the second SPV, the investment bank for the issuer, carves the principal and interest payments into tranches of bonds. Then, rating agencies gauge the credit risk of each tranche by comparing the loan pool's characteristics with historical data and forecasting the tranche's performance. In calculating credit risk, however, rating agencies do not assess the suitability of the underlying loans for individual borrowers. The tranche system is termed a "senior-subordinate structure" and is the "predominant structure of choice in subprime RMBS." The tranches are arrayed from the most senior to the most junior, with "as many as five mezzanine or subordinated tranches going down the ratings ladder" from AAA to B. The senior class is the AAA tranche, the mezzanine class consists of the AA and A tranches, and the BBB, BB, B, and unrated classes take the junior position. Any rating of BBB-/Baa3 or above is deemed investment-grade and serves to assuage investors' concerns about the credit quality of the mortgages backing the securities.

24 In a feature known as a "waterfall," the senior tranche is paid off before any other tranche. Once the senior tranche is paid off, the next tranche moves to the head of the line for principal payments until all of the tranches are retired. As a result, the junior tranche is the first to absorb any losses and shields the senior tranches from losses due to loan defaults. Only in the extremely unlikely event that losses exceeded the amounts due the holders of the junior tranches would the senior tranches absorb credit losses.

25 Before rating agencies issue investment-grade ratings, they insist on added financial cushions known as "credit enhancements." According to rating agencies, when determining the needed level of credit enhancements, they assume catastrophic losses on an order of magnitude of the Great Depression, with the amount of enhancements depending on the rating desired, the type of collateral, and the reliability of the historical pool data.

26 Credit enhancements come in two types, internal and external enhancements. Normally, the lender will provide sufficient internal enhancements to boost the offering to an investment-grade rating. If the internal enhancements do not raise the senior tranche to a top AAA rating, monoline insurers or other outside providers may add external enhancements to raise the senior tranche to an AAA.

27 Once investment-grade ratings are in hand, the investment bank will price the mortgage-backed securities and sell them to investors, either through a public offering or a private placement. If the offering succeeds as planned, the lender receives two forms of revenue. The first is cash from the sale of the securities. The second is "excess spread," which is the right to any interest on the loans that exceeds the interest paid to the investors after deducting expenses on the asset-backed bonds. In most situations, the present value of the cash proceeds plus the excess spread exceeds the cash that the lender would have received from selling whole loans.

IV. DEFENDANTS' MODUS OPERANDI

28 Defendants used the information described on paragraphs 19-27 regarding secondary market trends, to develop loan products that could be offered for sale at the secondary market.

29 Defendants view Plaintiff as a mean for producing more loans in order to produce mortgage backed securities or mortgage pools to be sold to investors.

30 Defendants originated loans with little or no regard to borrowers' long-term ability to afford them and to sustain homeownership, in violation of HOEPA. This scheme was maintained with the knowledge and approval of Defendants.

31 Defendants implemented the deceptive scheme through misleading marketing practices designed to sell risky and costly loans to homeowners, the terms and dangers of which they did not understand, including by:

a. encouraging borrowers to obtain purchase money financing or refinance with complicated mortgages such as hybrid adjustable rate mortgages (ei.,2/28 and 3/27) or payment option adjustable rate mortgages that were difficult for consumers to understand;

b. Marketing the mentioned complex loan products to consumers by emphasizing the very low initial "teaser" or "fixed" rates while obfuscating or misrepresenting the later steep monthly payments and interest rate increases or risk of negative amortization.

32 Defendants employed various lending practices to further their deceptive scheme including:

a. use of low or no documentation loans which allowed for no verification of stated income or stated assets or both, or no request for income or asset information at all;

b. urging borrowers to encumber their homes up to 100% (or more) of the assessed value;

c. Placing borrowers in second mortgages or HELOCs while underestimating and obscuring their total monthly payment obligations.

33 Defendants further their deceptive scheme by creating an environment which propelled loan officers to sell the riskiest loans products mentioned above. The compensation system implemented by Defendants encouraged brokers to place homeowners in loans with interest rates higher than those for which they qualified as well as prepayment obligations and balloon payments. This system of compensation aided and encouraged brokers in breaching their

fiduciary duties to borrowers by inducing borrowers to accept unfavorable loan terms without full disclosure of the borrower's options and also compensated brokers beyond the reasonable value of the brokerage services they rendered.

34 Defendants cared only about selling increasing numbers of loans at any cost, in order to maximize Defendants' profits on the secondary market. Defendants' deceptive scheme had one primary goal – supply the secondary market with as many loans as possible, specifically loans that would yield the highest premiums such as the case of Plaintiff's loan transaction.

35 The majority of loans originated by Defendants were sold on the secondary market, either as mortgage-backed securities or as pools of whole loans.

36 The typical securitization transaction involving mortgage backed securities is fully described in paragraphs 19-27. EXHIBIT O is a diagram that illustrates the incredible complexity of the loan pooling process and Defendants' interactions among themselves pertaining to plaintiff's loan.

37 Defendants often sold the whole loans at a premium, meaning that the purchaser paid Defendants a price in excess of 100% of the total principal amount of the loans included in the loan pool.

38 The price paid by purchasers of securities or pools of whole loans varied based on demand for the particular types of loans included in the securitization or sale of whole loans. The characteristics of the loans such as whether the loans are prime or subprime, whether the loans have an adjustable or fixed interest rate, or whether the loans include a prepayment penalty, all influenced the price.

39 Various types of loans and loan terms earned greater prices, or "premiums," in the secondary market. For example, investors in mortgages and mortgage backed securities have been willing to pay higher premiums for loans with prepayment penalties and balloon payment as the Plaintiff's loan transaction. Because the prepayment penalty deters borrowers from refinancing early in the life of the loan, it essentially ensures that the income stream from the loan will continue while the payment penalty is in effect. Defendants typically sought to market loans that earned it higher premiums, including loans with prepayment penalties.

40 Defendants develop ways to generate an ever larger volume of the types of loans most demanded by investors. For example, Defendants developed and modified loan products by discussing with investors the prices they would be willing to pay for loans with particular characteristics and subsequently entered into mortgage purchasing agreements with investors. This enable Defendants to determine which loans were most likely to be sold on the secondary market for the highest premiums.

41 Further, rather than waiting to sell loans until after they were made, Defendants would sell loans "forward" before loans were funded.

42 Loans that were sold forward were sold subject to a set of stipulations between Defendants and the purchaser contained on the mortgage purchasing agreement (usually registered with the U.S. Securities and Exchange Commission). For example, in a sale of whole loans, defendants might agree on April 1 that on June 30 it would deliver 3,500 adjustable rate mortgage loans with an average interest rate of 6%, half of which would be subject to a prepayment penalty, among other characteristics. (None of these loans would have been generated as of April 1). Based on the stipulations regarding the characteristics of the loans to be included in the pool, an investor might agree to pay a price totaling102.5% of the total face value of the loans. In other words, the purchaser agreed in advance to pay a premium of 2.5%.

43 Defendants originated as many loans as possible not only to maximize its profits on the secondary market, but to earn greater profits from servicing the mortgages it sold.

44 Defendants engaged in deceptive practices such as offering a low teaser rate for introductory periods. When teaser rate expired, loans immediately become an adjustable rate, in addition to pre-payment penalties.

45 Defendants deceptively marketed such loans because those loans could be sold for a higher premium on the secondary market.

46 Borrowers, enticed by the low teaser rate, were easily distracted from the fine print in the loan documents and did not fully understand the terms or the financial implications of Defendants' ARMs loan products. Defendants would turn borrowers' attention to the initial low

"teaser" payment and misrepresenting the true risks of their loan products. Defendants' sales approach was to "sell the payment", the initial payment that is.

47 Defendants would only show on initial documentation the initial teaser monthly payments. Documents provided lead borrower assumed she would make only the minimum payment. Thus, Borrower would not know the monthly payment that would cover accruing interest and escrow until she received the first statement after the expiration of the teaser rate, well after all documents were signed.

Defendants misrepresented true terms of the ARMs by:

a. misrepresenting the amount of time that the interest rate would be fixed for the loan;

b. misrepresenting the risk of the ARMs

c. misrepresenting the fact that the payment rate was not the interest rate;

d. misrepresenting that the minimum payment would last the entire term of the loan.

e. misrepresenting how difficult would be for borrowers to refinance a ARM loan with a balloon payment, since after making only minimum payments, negative amortization would eventually take over and the borrower would be upside-down; thus, making refinancing impossible.

d. misrepresented the fact that ARM included a prepayment penalty in addition to a balloon payment.

e. misrepresented the effect that making only the minimum payment would have on the prepayment penalty. Negative amortization could cause principal to increase. It also increases the amount of interest, which in turn increases the prepayment penalty.

f. misrepresented that Defendants would be able to waive prepayment penalty if borrower refinanced with them. However, Defendants would not be able to waive the penalty. The majority of Defendants loans were sold in the secondary market, thus, limiting their authority to waive such penalty.

48 In an effort to increase their loan origination in order to sell them to the secondary market, Defendants relaxed established, generally accepted, underwriting criteria. This would increase the likelihood that borrower would lose their homes.

49 Traditionally, lenders required borrowers seeking mortgage loans to document their income, for example by providing W-2s or tax returns, as well as assets. Defendants disregarded such requirements by introducing SISA loans or NINJAs, acronyms for "stated income stated assets" and "no income no job assets" respectively. These loan programs allowed Defendants to make more loans and more quickly in order to sell them in the secondary market.

50 Defendants' compensation in the form of yield spread premium, rebates or kickbacks induced many mortgage brokers that would earn Defendants the most profits on the secondary market, regardless that such loans would be detrimental to the borrower.

51 A borrower retains the services of a mortgage broker to negotiate and acceptable loan plan. Thus, a mortgage broker would owe fiduciary duty to the borrower. This means that broker would make full and accurate disclosure of loan terms to borrowers, particularly those that might affect the borrower's decision, and to act always in the best interest of the borrower.

52 Defendants' compensation to brokers as described on the above paragraph is in violation of RESPA. Such compensation induced brokers to breach their fiduciary duties to borrowers by placing them into loans with a higher interest rate than the rate for which borrowers qualified, in order to increase Defendants profits on the selling of such loans in the secondary market. In addition, Defendants would pay a rebate to a broker for placing borrowers in loans that included prepayment penalty and/or balloon payments. The loans were doom to foreclosure.

53 Defendants took advantage of borrowers' innate desire to have a home of their own. Therefore, Defendants induce borrowers into believing that it was looking out for their best interest when offered the mentioned loan products.

V. FACTUAL BACKGROUND

54 Plaintiff financed the home located at 612 N. Nevada Way, Gilbert, AZ 85233 on or about 6/8/20006.

55 The loan transaction produced the following documents and instruments:

a. A Credit Scoring Information (EXHIBIT A) for loan 01-009630 (Primary Loan) shows Plaintiff's credit score of 619 and date of credit score as 5/22/2006. This means that Plaintiff applied for credit on or before 5/22/2006.

b. A Credit Scoring Information (EXHIBIT A-1) for loan 01-009630A (Secondary Loan) shows Plaintiff's credit score of 619 and date of credit score as 5/22/2006. This means that Plaintiff applied for credit on or before 5/22/2006.

c. A Uniform Residential Loan Application (EXHIBIT B) with Borrowers name as: Cibney R. Bello. Interest rate of 6.050%, Amortization Type is ARM 2/38, loan amount $276,000.00. The document does not have a date or signatures; however, it was given to Plaintiff as a copy.

d. A Uniform Residential Loan Application (EXHIBIT B-1) with Borrowers name as: Cibney R. Bello. Interest rate of 10.950%, Amortization Type is ARM 2/38, loan amount $69,000.00. The document does not have a date or signatures; however, it was given to Plaintiff as a copy.

e. A Good Faith Estimate (EXHIBIT C) for Primary Loan, dated 6/8/2006 which is the same day as closing. It shows estimated closing costs of $4,111.00, and $6,510.69 for Estimated Settlement Charges. The document is not signed or dated by Plaintiff.

f. A Good Faith Estimate (EXHIBIT C-1) for Secondary Loan, dated 6/8/2006 which is the same day as closing. It shows estimated closing costs of $1,076.00, and $1,076.00 for Estimated Settlement Charges. The document is not signed or dated by Plaintiff.

g. A Settlement Statement (EXHIBIT D) for Primary Loan, dated 6/8/2006. It shows $2,951.50 loan discount to Pacific Gold Mortgage Group, LLC. The fee was not properly disclosed prior to closing. The Total Settlement Charges of $8,914.56 around $2,400 higher than the estimate on the GFE (EXHIBIT C).

h. A Settlement Statement (EXHIBIT D-1) for Secondary Loan, dated 6/8/2006. It shows The Total Settlement Charges of $1,531.40 around $450 higher than the estimate on the GFE (EXHIBIT C-1).

i. Truth-In-Lending (TIL) Disclosure Statement (EXHIBIT E) for Primary Loan dated 6/08/2006. It shows as Borrower: Cibney R. Bello. Annual Percentage Rate: 6.050%. Finance Charge $45,7547.40. Amount Financed: $276,000.00. Total of Payments: $733,547.40.

j. Truth-In-Lending (TIL) Disclosure Statement (EXHIBIT E-1) for Secondary Loan dated 6/08/2006. It shows as Borrower: Cibney R. Bello. Annual Percentage Rate: 10.950%. Finance Charge $166,612.68. Amount Financed: $69,000.00. Total of Payments: $235,612.68.

k. Truth-In-Lending (TIL) Disclosure Statement (EXHIBIT F) for Primary Loan dated 6/08/2006. It shows as Borrower: Cibney R. Bello. Annual Percentage Rate: 9.655%. Finance Charge $856,960.33. Amount Financed: $269,073.05. Total of Payments: $1,126,033.38. The document shows $55 filing fees.

l. Truth-In-Lending (TIL) Disclosure Statement (EXHIBIT F-1) for Secondary Loan dated 6/08/2006. It shows as Borrower: Cibney R. Bello. Annual Percentage Rate: 11.154%. Finance Charge $167,724.40. Amount Financed: $67,895.60. Total of Payments: $235,620.00. The document shows $55 filing fees.

m. A Fixed/Adjustable Rate Note (EXHIBIT G) for Primary Loan dated 6/8/2006 which is a Borrower's Promise to pay $276,000.00 to the order of the Lender: PACIFIC GOLD MORTGAGE GROUP, LLC. It shows 6.050% interest rate, initial monthly payments of $1,528.22, and a cap rate of 12.050%.

n. A Note (EXHIBIT G-1) for Secondary Loan dated 6/8/2006 which is a Borrower's Promise to pay $69,000.00 to the order of the Lender: PACIFIC

GOLD MORTGAGE GROUP, LLC. It shows 10.950% interest rate, initial monthly payments of $654.50.

o. A Prepayment Penalty Note (EXHIBIT G-3) for Secondary Loan dated 6/8/2006. The prepayment penalty is 3%, 2%, 1% id Plaintiff pay the loan during the 1st, 2nd, 3rd years after closing respectively.

p. A Deed of Trust recorded on 6/14/2006 as instrument No.: 2006-0800352 (EXHIBIT H) for Primary Loan shows PACIFIC GOLD MORTGAGE GROUP, LLC., as "lender".

q. A Deed of Trust recorded on 6/14/2006 as instrument No.: 2006-0800353 (EXHIBIT H-1) for Secondary loan shows PACIFIC GOLD MORTGAGE GROUP, LLC., as "lender".

r. A Statement of Breach or Non-performance issued by California Reconveyance Company for Washington Mutual Bank, FA, as agent.

s. A Lost Assignment Affidavit (EXHIBIT J) recorded on 9/25/08 signed by Elizabeth Boutton, Vice President for Washington Mutual Bank. Paragraph three (3) states: "That the assignment referenced in paragraph 2 above [paragraph 2 states: "That that the above referenced Deed of Trust was assigned to WASHINGTON MUTUAL BANK, SUCCESSOR IN INTEREST TO LONG BEACH MORTGAGE COMPANY"] was not recorded as same was apparently lost or misplaced in transmission to the County Recorders office, County of MARICOPA, State of ARIZONA; and said original assignment is not now available for production and recordation." The document was acknowledged on 9/15/08 by Myra L. Gaston in the State of Florida.

t. A Substitution of Trustee recorded on 9/25/2008 as instrument No.: 2008-0831148 (EXHIBIT K) shows WASHINGTON MUTUAL BANK, SUCCESSOR IN INTEREST TO LONG BEACH MORTGAGE COMPANY appointing CALIFORNIA RECONVEYANCE COMPANY as Trustee. The Instrument is signed by Deborah Brignac, as Vice President of Washington Mutual Bank; the instrument is acknowledged in Los Angeles County, California, by Carla Dodd.

u. A Notice of Trustee's Sale recorded on 9/25/2008 as instrument No.: 2008-0831149 (EXHIBIT L) shows WASHINGTON MUTUAL BANK, SUCCESSOR IN INTEREST TO LONG BEACH MORTGAGE COMPANY, as current Beneficiary. The instrument is signed by Karime Arias as Vice President of CALIFORNIA RECONVEYANCE COMPANY; the instrument is acknowledged in Los Angeles County, California, by Carla Dodd.

v. A Qualified Written Request, Complaint, Dispute of Debt and Validation of Debt Letter, TILA Request (EXHIBIT M) issued by Plaintiff's Counsel to Washington Mutual Bank on January 26, 2009

w. A diagram (EXHIBIT O) that illustrates the incredible complexity of the loan pooling process and Defendants' interactions among themselves pertaining to plaintiff's loan. The diagram is based upon research with the United States Securities and Exchange Commission (File no. 333-131252-04) 8K filling, 10K filling, Prospectus, among other fillings of the mortgage pool of which Plaintiff's loan is part of.

COUNT ONE: VIOLATION OF THE ARIZONA ASSIGNMENT AND SATISFACTION OF MORTGAGE LAW.

56 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

57 Exhibits show no recorded chain of title/interest either as original mortgage holder, assignee, trustee, or successor-in-interest for Defendants.

58 County records show inconsistencies, on recorded instruments by Defendants, which create conflict.

59 County records show inconsistencies, on recorded instruments by Defendants, which create conflict, for example EXHIBIT G through H-1, the Notes and Deed of Trusts shows PACIFIC GOLD MORTGAGE GROUP, LLC., as the "Lender" and Beneficiary under

the Security Instrument. However, EXHIBITS I, K and L shows that that the Statement of Breach or Non-performance, Notice of Substitution of Trustee and Notice of trustee's Sale alleges WASHINGTON MUTUAL BANK as Beneficiary.

60 Defendant WASHINGTON MUTUAL BANK produces a Lost Assignment Affidavit (EXHIBIT J) stating that the assignment from Long Beach Mortgage Company to Washington Mutual Bank is lost and not available for production or recordation. The Affidavit do not bear any authentication in the form of corporate seal or stamp indicating anyone that Washington Mutual Bank authorized this signature. In addition, Affiant does not claim personal knowledge of the lost instrument and does not present the entire chain of custody of the Note.

61 There is no proof of an assignment, therefore, Defendants have not satisfied its burden of demonstrating standing at the time of recording the Substitution of trustee and the trustee's Sale.

62 Arizona's recording statue requires that all conveyances of real estate be acknowledged and recorded per A.R.S. § 33-412.

63 A land conveyance not notarized and recorded is otherwise void.

64 Because Defendants have not proven that the land was acknowledged and recorded BEFORE foreclosure proceeding began, they cannot go forward with the Trustee's Sale unless and until that proof is made.

65 There is no proof of any assignment, trust or successor interest recorded on the County records prior to foreclosure proceedings.

66 The Deed of Trust is being held after the alleged "sale" to the assignee to the trust.

67 Defendants cannot take an equitable assignment of a Deed of Trust because it is not the legal owner of the Deed of Trust.

68 A.R.S. § 33-420(A), states that [a] person purporting to claim an interest in, or a lien or encumbrance against, real property, who causes a document asserting such claim to be recorded in the office of the county recorder, knowing or having reason to know that the document is forged, groundless, contains a material misstatement or false claim or is otherwise

invalid is liable to the owner or beneficial title holder of the real property for the sum of not less than five thousand dollars, or for treble the actual damages caused by the recording, whichever is greater, and reasonable, and reasonable attorney fees and costs of the action.

69 Arizona Law states that no estate shall be conveyed unless the conveyance is by an instrument in writing, subscribed and delivered by the party disposing of the estate.

70 Every deed or conveyance of real property must be signed by the grantor and must be duly acknowledged before some officer authorized to take acknowledgements.

71 A party causing an invalid document to be recorded must know or have reason to know under A.R.S. § 33-420 that the document is invalid.

72 Defendants claim of Plaintiff's property contains material misstatements on the face of the documents, thus making their recorded documents invalid.

73 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law.

c. Punitive damages available under the law.

d. This Court declares that Defendants have no legal claim to title of the subject property.

e. Attorneys fees be awarded to Plaintiffs.

f. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT TWO: VIOLATION TO THE TRUTH IN LENDING ACT, 15 U.S.C. § 1601 *et seq.*

74 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

75 Plaintiff did not receive the closing documents prior to closing and at the closing Plaintiff was rushed through signing the documents. Plaintiff did not have any reason to suspect that the documents which he would sign at closing would differ in any way from the previous estimates he had been provided by loan Originator; however, the mortgage loan that Defendant ended up with has much higher payment and is an adjustable rate mortgage, that would amortized negatively over time.

76 The end result of the false and misleading representations and material omissions of Defendants as to the true nature of the mortgage loan actually being processed, which said Defendants had actual knowledge was in direct conflict with the original Plaintiff's stated intentions and directions to said Defendants at the time of original application for the loan, fraudulently caused Plaintiff to execute predatory loan documents.

77 At no time whatsoever did Defendants ever advise Plaintiff (nor, as far as Plaintiff can determine, any "investor" in certificates of mortgage-backed securities) that:

a. the mortgage loan being processed was not in their best interest;

b. the terms of the mortgage loan being processed were less favorable than the fixed-rate loan which Defendants previously advised Plaintiff that they qualified for;

c. that the mortgage loan was an inter-temporal transaction (transaction where terms, risks, or provisions at the commencement of the transaction differ at a later time) on which Plaintiff was providing cover for Defendants' illegal activities.

d. that Plaintiff would likely be placed in a position of default, foreclosure, and deficiency judgment regardless of whether she met her loan obligations once the true lender or true holder(s) in due course appeared;

e. that the originating "lender", had no intention of retaining ownership interest in the mortgage loan or fully servicing same and in fact may have and probable had already pre-sold the loan, prior to closing, to a third party mortgage aggregator pursuant to previously executed documentation (Assumption and assignment Agreement, Pooling Services Agreement, etc. all executed prior to Plaintiff's "loan Closing."

f. that the mortgage loan was actually intended to be repeatedly sold and assigned to multiple third parties, including one or more mortgage aggregators and investment bankers (including but not limited to Defendants DOES 1-10), for the ultimate purpose of bundling the Plaintiff' mortgage with hundreds or perhaps thousands of others as part of a companion, support, or other tranche in connection with the creation of a REMIC security known as a Collateralized Mortgage Obligation ("CMO"), also known as a "mortgage-backed security" to be sold by a securities firm (and which in fact ended up as collateral for Asset-Backed Securities Certificates, created the same year as the closing);

g. that the mortgage instrument and Promissory Note may be sold, transferred, or assigned separately to separate third parties so that the later "holder" of the Promissory Note may not be in privity with or have the legal right to foreclose in the event of default;

h. that in connection with the multiple down line resale and assignment of the mortgage and Promissory Note that assignees or purchasers of the Note may make "pay-downs" against the Note which may effect the true amount owed by the Plaintiff on the Note;

i. that a successive assignee or purchaser of the Note and Mortgage may not, upon assignment or purchase, unilaterally impose property insurance requirements different from those imposed as a condition of the original loan (also known as prohibition against increased forced-placed coverage) without the Plaintiff' prior notice and consent;

78 As a result of the closing and in connection therewith, Defendants placed the Plaintiff into a pool of a sub-prime adjustable rate mortgage programs, with Defendants intentionally misleading Plaintiff and the other borrowers and engaging in material omissions by failing to disclose to Plaintiff and other borrowers the fact that the nature of the mortgage loan applications had been materially changed without Plaintiff's knowledge or consent, and that Plaintiff was being placed into a pool where the usual loan was an adjustable rate mortgage program despite borrowers not being fully qualified for such a program.

79 Prior to the closing (6/8/2006), Defendants failed to provide to Plaintiff the preliminary disclosures required by the Truth-In-Lending Act pursuant to 12 CFR (also known as and referred to herein as "Regulation Z) sec. 226.17 and 18, and failed to provide the preliminary disclosures required by the Real Estate Settlement Procedures Act ("RESPA") pursuant to 24 FR sec. 3500.6 and 35007, otherwise known as the GFE.

80 As noted by EXHIBIT A and A-1 Plaintiff applied for a residential loan on or before 5/22/2006. However, Plaintiff receive a Uniform Residential Loan applications (EXHIBITS B and B-1), Good Faith Estimates (EXHIBITS C and C-1), Settlement statements (EXHIBITS D and D-1), Preliminary TIL Disclosures (EXIBITS E and E-1), final TIL Disclosures (EXHIBITS F and F-1) on the day of closing 6/8/2006.

81 Defendants also intentionally failed and/or refused to provide Plaintiff with various disclosures which would indicate to the Plaintiff that the consumer credit contract entered into was void, illegal, and predatory in nature due in part to the fact that Defendants did not properly disclosed TIL disclosures BEFORE closing date.

82 Defendants failed to provide an accurate GFE or Itemization of Amount Financed ("IOAF"), there was no disclosure of a loan discount fee of $2,951.50 to PACIFIC GOLD MORTGAGE GROUP, LLC, prior to closing.

83 As a direct and proximate result of these failures to disclose as required by the Truth-In-Lending Act, Defendants received a Loan Origination Fee (LOF) in a substantial amount of without preliminary disclosure, which is a *per se* violation of 12 CFR sec. 226.4(a),

226.17 and 18(d) and (c)(1)(iii). The LOF raised the interest rate which was completely unknown to or approved by the Plaintiff, as they did not received the required GFE, IOAF.

84 The Note (EXHIBIT G) dated 6/8/2006 shows an interest rate at 6.050%, yet, the final Truth-In-Lending (TIL) Disclosure Statement (EXHIBIT F) dated 6/8/2006 shows a 9.655% APR. This substantial higher interest rate, over the life of the loans, would cost Plaintiffs hundreds of thousands of dollars more than they would have paid if they had been given the rate on the Note. Defendants did not disclose properly Early Disclosures in violation of the Real Estate Settlement Procedures act (RESPA) and the Truth In Lending Act (TILA).

85 In addition to the above and below, Defendants fail to provide proper and accurate material disclosures required under the TILA at the time of closing. Specifically Defendants failed to include all of the prepaid finance charges in the amount financed and to accurately state the interest portion of the finance charge.

86 The Amount Financed within the TIL is also understated which is a material violation of 12 CFR sec. 226.17 and 18, in addition to 15 USC sec. 1602(u), as the Amount Financed must be completely accurate with no tolerance.

87 Defendants were under numerous legal obligations as fiduciaries and had the responsibility for overseeing the purported loan consummation to insure that the consummation was legal, proper, and that Plaintiff received all legally required disclosures pursuant to the Truth-In- Lending Act and RESPA both before and after the closing.

88 Plaintiff, not being in the consumer lending, mortgage broker, or residential loan business, reasonably relied upon the Defendants to insure that the consumer credit transaction was legal, proper, and complied with all applicable laws, rules, and Regulations.

89 At all times relevant hereto, Defendants regularly extended or offered to extend consumer credit for which a finance charge is or may be imposed or which, by written agreement, is payable in more than four (4) installments and was initially payable to the person the subject of the transaction, rendering Defendants "creditors" within the meaning of the Truth-In- Lending Act, 15 U.S.C. sec. 1602(f) and Regulation Z sec. 226.2 (a)(17).

90 At the closing of the subject "loan transaction", Plaintiff executed Promissory Notes and Security Agreements in favor of Defendants as aforesaid. These transactions, designated by Defendants as a Loan, extended consumer credit which was subject to a finance charge and which was initially payable to the Defendants.

91 As part of the consumer credit transaction the subject of the closing, Defendants retained a security interest in the subject property which was Plaintiff' principal residential dwelling.

92 Defendants engaged in a pattern and practice of defrauding Plaintiff in that, during the entire life of the mortgage loan, Defendants failed to properly credit payments made; incorrectly calculated interest on the accounts; and have failed to accurately debit fees.

93 Defendants had actual knowledge that the Plaintiff' accounts were not accurate but that Plaintiff would make further payments based on Defendants' inaccurate accounts. Plaintiff made payments based on the improper, inaccurate, and fraudulent representations as to Plaintiff' accounts. As a direct and proximate result of the actions of the Defendants set forth above, Plaintiff overpaid in interest. Defendants also utilized amounts known to the Defendants to be inaccurate to determine the amount allegedly due and owing for purposes of foreclosure.

94 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Award actual damages to be established at trial pursuant 15 U.S.C. § 1640;

c. Award Plaintiff costs and reasonable attorneys fees in accordance with 15 U.S.C. § 1640;

d. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT THREE: VIOLATION TO THE HOME OWNERSHIP AND EQUITY PROTECTION ACT (HOEPA), 15 U.S.C. § 1639

95 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

96 The transaction entered by Plaintiff and Defendants is a HOEPA mortgage as set forth in 15 U.S.C. § 1602(aa).

97 Defendants violated the disclosure requirements for a HOEPA mortgage as set forth in 15 U.S.C. § 1609(a).

98 Defendants violated 15 U.S.C. § 1639(h) which prohibits a creditor from engaging in a pattern or practice of extending such credit to consumers based on the consumer's collateral if, considering the consumer's current and expected income, current obligations, and employment status, the consumer will be unable to make the scheduled payments to repay the obligation.

99 Creditor violates Reg. Z, 12 C.F.R. § 226.34(a)(4) if the creditor does not verify and document the borrower's ability to repay. So-called "no-doc" covered loans trigger this presumption. Failing to underwrite loans based on traditional underwriting criteria such as debt-to-income ratio, loan-to-value ratio, FICO score, reserves, and work history. These criteria ensure that a borrower is obtaining a loan that he or she has the resources and assets to repay, and ignoring these criteria results in many loans that bear no relation to borrowers' ability to repay them. This allows the lender to make a quick profit from the origination, but sets the borrower up for default and foreclosure.

100 Defendants, enticed by the prospect of short-term profits resulting from exorbitant origination fees, and related pricing schemes, took advantage of a rapidly market to convince Plaintiff and other borrowers to enter into loans they could not afford. Often this was accomplished with the help of deceptive practices and promises to refinance at a later date. These

abusive Defendants did not worry about the consequences of default or foreclosure to their business because once made or prior to signing, the loans were sold to the secondary market.

101 These practices maximize short-term profit to Defendants without regard to the borrower's best interest, the borrower's ability to repay, or the financial health of underserved minority neighborhoods.

102 Defendants issuing of a loan to plaintiff was not because Plaintiff ability to repay it, but rather to take possession of Plaintiff's home. The practice is unfair and unconscionable. Stealing Plaintiff's home does not have a legitimate business justification outweighing the Plaintiff injury.

103 Had Plaintiff known of the falsity of Defendants' representations, plaintiff would not have entered into the transactions the subject of this action.

104 HOPA was violated since prohibits Defendants from engaging in a pattern or practice of extending high-cost loan without regard to Plaintiff's ability to repay from sources other than encumbered home's equity. Defendants' pattern or practice of such lending entitles Plaintiff to actual and statutory damages under 15 U.S.C. § 1640(a).

105 Defendants knew or should have known about their failures to comply with the TILA and HOEPA.

106 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

107 Defendants are liable for Plaintiffs' claims arising out of Defendants' failure to comply with the TILA and HOEPA.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law.

c. Punitive damages available under the law.

d. This Court declares that Defendants have no legal claim to title of the subject property.

e. Attorneys fees be awarded to Plaintiffs.

f. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT FOUR: VIOLATION OF THE UNIFORM COMMERCIAL CODE

108 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

109 The promissory note (EXHIBIT G and G-1) referred to in the Deed of Trust (EXHIBIT H and H-1), is a negotiable instrument, governed by A.R.S. § 44-3104(a), (b) and (e).

110 Plaintiffs allege that Defendants do not meet the definition of a Holder-in-Due-course under A.R.S. § 44-3302.

111 Plaintiffs also allege that defendants are not entitled to enforce the Deed of Trust, and, therefore, cannot legally go forward with the trustee's sale.

112 Defendants, at this time, cannot prove that they have properly transferred possession of the note or Deed of Trust pursuant A.R.S. § 44-3201.

113 Defendants are not in possession of the underlying instruments, that is, the promissory Note and Deed of Trust, and therefore, cannot enforce the instrument.

114 Defendant Washington Mutual Bank has fail to present proof of the assignment of the Deed of Trust and the Note from Pacific Gold Mortgage Group, LLC to Washington mutual Bank.

115 Defendant Washington Mutual Bank has failed to establish that it has legal or equitable interest in the mortgage and underlying debt.

116 Ownership of the note and mortgage may be established by the lending documents themselves or by proof that the Defendant Washington Mutual Bank is the owner of the note and mortgage by reason of an assignment of both the Note and mortgage by the owner

thereof to the Defendant or by the owner's indorsement of the Note and its written assignment of mortgage to the Defendant. Washington mutual Bank has been unable to provide with such proof and therefore lacks standing in commencing foreclosure process against Plaintiff.

117 Arizona's recording statute requires that all conveyances of real estate be acknowledged and recorded pursuant A.R.S. § 33-412.

118 A land conveyance not properly acknowledged and recorded is otherwise void.

119 Because Defendants have not proven that the land conveyance was acknowledged and recorded, they cannot go forward with the Trustee's Sale unless and until that proof is made.

120 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law.

c. Punitive damages available under the law.

d. This Court declares that Defendants have no legal claim to title of the subject property.

e. Attorneys fees be awarded to Plaintiffs.

f. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT FIVE: VIOLATION OF THE FAIR DEBT COLLECTION PRACTICES ACT

121 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

122 Defendants violated the FDCPA, 15 U.S.C. §1692f, by using unfair and unconscionable means to collect the debt owed by the plaintiff, including the collecting and attempting to collect the debt owed by the Plaintiff.

123 Defendants violated the FDCPA, 15 U.S.C.§ 1692d(1)and (5) and (6) by:

a. threatening to foreclosure on the Plaintiff's home even though Defendants have no present right to possession of the property under its security agreement.

b. threatening to take other action prohibited by law;

c. causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number, in violation of 15 U.S.C. § 1692d(5);

d. the placement of telephone calls without meaningful disclosure of the caller's identity, in violation of 15 U.S.C. § 1692d(6).

124 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law.

c. Punitive damages available under the law.

d. This Court declares that Defendants have no legal claim to title of the subject property.

e. Attorneys fees be awarded to Plaintiffs.

f. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT SIX: FRAUD, MISREPRESENTATION AND CONSPIRACY

118 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

119 Defendants made certain representations and omissions to plaintiffs, including, but not limited to those set forth more fully above and below.

120 The representations and omissions described above and below, among others, were false.

121 The representations and omissions described above and below, among others were material, among other things, to plaintiffs.

122 Defendants made these and other representations and omissions with knowledge of their falsity.

123 Defendants made these and other representations and omissions to induce Plaintiffs to enter into a predatory mortgage loan transaction issued by Defendants.

124 Plaintiffs were not aware that defendants' representations and omissions were false.

125 Plaintiffs relied on the truth of Defendants' representations and omissions to the Plaintiffs' detriment.

126 Plaintiffs had no reason to question the truth of Defendants' representations and omissions.

127 Had Plaintiff known of the falsity of Defendants' representations, plaintiff would not have entered into the transactions the subject of this action.

128 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT SEVEN: CONVERSION/CIVIL THEFT

129 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

130 Defendants have intentionally seized, held or otherwise interfered with Plaintiffs' beneficial use of their Property without legal justification or privilege.

131 By their conduct, Defendants have converted the property of Plaintiffs for their own use, or they hold the Property for the benefit of an unknown Defendant.

132 Defendants have engaged in an unlawful combination and conspiracy to foreclose on home loans against individuals for the purpose of unjustly enriching themselves in violation of law. This unlawful activity had the effect of unjustly enriching the joint venturers and conspirators.

133 Defendants' actions were deliberate, harmful, wanton and in bad faith.

134 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition,

Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT EIGHT: VIOLATION TO R.I.C.O. 18 U.S.C. §§ 1961 *et* seq and A.R.S. § 13-2314 *et seq*.

135 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

136 Defendants have used non-judicial means to foreclose on the Plaintiffs' Property. Defendants did not have a legal right to foreclose on said Property. The use of non-judicial means to foreclose on Plaintiffs' Property and collect on the alleged debt is extortions as set forth at A.R.S. § 13-2301(D)(4).

137 In undertaking the aforesaid acts, Defendants were participating in and have participated in scheme of racketeering as that term is defined in RICO, 18 U.S.C. §§ 1961 *et seq*. and A.R.S. § 13-2314 *et seq.*

138 Had Plaintiff known of the falsity of Defendants' representations, plaintiff would not have entered into the transactions the subject of this action.

139 As a result of Defendants' misconduct, Plaintiffs have sustained reasonably foreseeable injury to their property by a pattern of racketeering activity in violation of A.R.S. § 13-2314, *et seq.* and Plaintiffs are thus entitled to the remedies available under RICO in civil actions.

140 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT NINE: UNJUST ENRICHMENT

141 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

142 The actions by Defendants in foreclosing Plaintiffs' Property in violation of law results in Defendants being unjustly enriched by the payment of fees, insurance proceeds and Government bailout money.

143 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT TEN: INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

144 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

145 Defendants' actions described above and below are extreme.

146 Defendants intentions are to cause Plaintiffs severe emotional distress.

147 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT ELEVEN: SLANDER ON TITLE

148 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

149 Defendants in filling a Trustee's Sale notice-which is void- has caused a clowd to be placed on the title of the Plaintiffs' Property.

150 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT TWELVE: QUIET TITLE

151 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

152 Plaintiffs are informed and believe that Defendants make some claim adverse to Plaintiffs.

153 Defendants allege that they are the holder of the Promissory Note and Deed of Trust on the property.

154 The exhibits incorporated herein do not identify any of the Defendants as the Beneficiary.

155 There is no mention of an assignment, therefore, Defendants have not satisfied its burden of demonstrating standing at the time of recording the Substitution of trustee and the trustee's Sale.

156 Exhibits show no recorded chain of title/interest either as original mortgage holder, assignee, trustee, or successor-in-interest for Defendants.

157 County records show inconsistencies, on recorded instruments by Defendants, which create conflict.

158 There is no proof of any assignment, trust or successor interest.

159 When exhibits are inconsistent with Defendants' allegations of material fact as to who the real party in interest is, such allegations cancel each other out.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

COUNT THIRTEEN: BREACH OF FIDUCIARY DUTY

160 Plaintiff incorporates the allegations in Paragraphs 1 to 142 above with the same force and effect as if herein set forth

161 Fiduciary relationship arises when a party-a "weaker" party in the sense of the ability to protect itself, places trust and confidence in another.

162 Defendants by their actions in contracting to provide mortgage loan services and a loan program to plaintiff which was not only to be best suited to the Plaintiff given his income and expenses but by which Plaintiff would also be able to satisfy their obligations without risk of losing their home, where "fiduciaries" in which Plaintiff reposed trust and confidence, especially given that Plaintiff was not and is not investment banker, security dealer, mortgage lender, or mortgage broker.

163 Defendants breached their fiduciary duties to the plaintiff by fraudulently inducing Plaintiff to enter into mortgage transaction which was contrary to the Plaintiff's stated intentions; contrary to the Plaintiff's interests; and contrary to the Plaintiff's preservation of his home.

164 Had Plaintiff known of the falsity of Defendants' representations, plaintiff would not have entered into the transactions the subject of this action.

165 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court to

a. enjoin Defendants foreclosure procedures and hold an evidentiary hearing to allow Plaintiffs to establish that they have properly exercised their statutory right to rescind the Home Funds Direct mortgage.

b. Plaintiffs be awarded monetary damages available under the law.

c. Punitive damages available under the law.

d. This Court declare that Defendants have no legal claim to title of the subject property.

e. Attorneys fees be awarded to Plaintiffs.

f. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper

COUNT FIFTEEN: VIOLATION OF THE ARIZONA CONSUMER FRAUD ACT, A.R.S. § 44-1521, *et seq.*

166 Plaintiff reaffirms, re-allege and incorporate by reference the foregoing paragraphs.

167 Defendants above and below-described actions constitute violations of the Arizona Consumer Fraud Act, A.R.S. § 44-1521, *et seq.* ("ACFA")

168 As result of the Defendants' violations of the ACFA, the Plaintiffs suffered damages in an amount to be determined by this Court.

169 Defendants made the misrepresentations described above with the intent and for the purpose of inducing Plaintiffs into signing a predatory agreement for financing and did not provide closing documents required by Arizona and Federal Law.

170 Plaintiffs were never aware of the alleged assignment of the Deed of Trust, and the assignment is not recorded with the Maricopa County recorder as required by Arizona Law.

171 In the course of the transactions, each defendant made one or more misrepresentations and/or failed to make accurate representations and/or failed to provide material information about the transactions as set forth more fully above.

172 Said misrepresentations and failure to make accurate representations were made knowingly or with reason to know that Plaintiffs would rely thereon.

173 Said misrepresentations and failure to make accurate representations were material to the transactions.

174 Defendants knowingly and intentionally concealed material information from Plaintiff which is required by Federal Statutes and Regulations to be disclosed to the Plaintiff both before and at closing.

175 Defendants also materially misrepresented material information to the Plaintiff with full knowledge by Defendants that their affirmative representations were false, fraudulent, and misrepresented the truth at the time said representations were made.

176 Under the circumstances, the material omissions and material misrepresentations of the Defendants were malicious.

177 Defendants Failed to disclose disadvantageous cost or nature of the loan.

178 Defendants purposely concealed the identity of the true lender and Defendants' relationship with such entity.

179 Plaintiffs were unaware that the representations described above were false.

180 Plaintiffs acted in reasonable reliance on the representations to their detriment.

181 Because of the above fraudulent misrepresentations and concealment, Plaintiffs did not pursue other available arrangements.

182 The above acts by Defendants constitute a consumer fraud in violation of Arizona Consumer Fraud Act, A.R.S. § 44-1521, *et seq.*

183 Defendants' pattern and practice of deception, misrepresentation, concealment of material facts is itself unfair and deceptive.

184 Plaintiff is a vulnerable, unsophisticated member of the public, whose inability to examine the fine point, make him a likely target of Defendants' deceptive and unfair practices and acts.

185 Plaintiff, not being investment bankers, securities dealers, lenders, or mortgage brokers, reasonably relied upon the representations of the Defendants in agreeing to execute the mortgage loan documents to his detriment.

186 Defendants' pattern of deception and misrepresentation is unconscionable by taking advantage of Plaintiff's lack of knowledge, ability, experience, or capacity to a grossly unfair degree.

187 Had Plaintiff known of the falsity of Defendants' representations, plaintiff would not have entered into the transactions the subject of this action.

188 In violating the ACFA, the Defendants acted with evil mind, intending to injure the Plaintiffs or consciously disregarding the substantial risk that their conduct would cause significant harm to the plaintiffs.

189 As a direct and proximate cause of Defendants' action, Plaintiff has suffered mental anguish, physical illness as direct result of stress caused by Defendants. In addition, Plaintiff has suffered substantial economic harm including but not limited to the loss of equity in the home, and the imminent prospect of being foreclosed and evicted from his home.

WHEREFORE, Plaintiff prays this Court that judgment be entered against Defendants as follows:

a. Judgment ordering that the Trustee Sale be cancelled immediately;

b. Plaintiffs be awarded monetary damages available under the law;

c. Punitive damages available under the law;

d. For actual and consequential damages as may be proved at the time of trial;

e. This Court declares that Defendants have no legal claim to title of the subject property;

f. Attorneys fees be awarded to Plaintiffs;

g. For such other and further equitable relief, declaratory relief and legal damages as may be permitted by law and as the court may consider just and proper.

RIGHT TO AMEND

Plaintiff reserves the right to amend this Complaint, asserting other facts and causes of action after investigation and discovery.

JURY DEMAND

Plaintiffs hereby demands trial by jury in the above matter

Dated this 6th day of February, 2009.

Robert R. Jung

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Amended Verified Complaint has been furnished via U.S. Certified Mail Return Receipt Requested to following Defendants:

1. WASHINGTON MUTUAL BANK, FSA
   1201 3rd AVE. WMT 0626
   Seattle, Washington 98101

2. LONG BEACH MORTGAGE COMPANY
   1201 Third Ave. WMT 1706
   Seattle, Washington 98101

3. LONG BEACH SECURITIES CORPORATION
   1201 Third Ave. WMT 1706
   Seattle, Washington 98101

4. LONG BEACH MORTGAGE LOAN TRUST 2006-6
   1201 Third Ave. WMT 1706
   Seattle, Washington 98101

5. DEUTSCHE BANK NATIONAL TRUST COMPANY, N.A.
   280 Park Ave.
   New York, N.Y. 10017

6. WAMU CAPITAL CORPORATION
   1201 Third Ave. WMT 0626
   Seattle, Washington 98101

7. PACIFIC GOLD MORTGAGE GROUP, LLC.

8. CREDIT SUISSE INTERNATIONAL
   One Madison Ave., 2nd Floor
   New York, N.Y. 10017

9. CALIFORNIA RECONVEYANCE COMPANY
   9200 Oakdale Avenue
   Chatsworth, CA 91311

Dated this 6th day of February, 2009.

Robert R. Jung

STATE OF ARIZONA)
)
) ss **VERIFICATION**
)
COUNTY OF MARICOPA)

I, CIBNEY R. BELLO, being first duly sworn, upon his oath, deposes and states as follows: That she is the Plaintiff in the above-entitled and numbered matter; that she has read the foregoing VERIFIED COMPLAINT IN SUPPORT TO: TEMPORARY RESTRAINING ORDER (TRO), PRELIMINARY AND PERMANENT INJUCTION AND ORDER TO SHOW CAUSE. EXPEDITED CONSIDERATION REQUESTED in the above captioned Case and knows the contents thereof that the matters stated therein are true of her own knowledge except as those matters stated upon information and belief, and as to those matters she believes them to be true.

____
Cibney R. Bello

On February 6, 2009 before me, Cesar F. Silvas a Notary Public in and for said County and State, personally appeared Cibney R. Bello, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledge to me that she executed the same in her authorized capacity and that by her signature on the instrument the persons, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

State of **Arizona** County of **Maricopa**) ss

This instrument was acknowledged before me this 6th day of February, 2009 by Cesar F. Silvas

____
Notary Public
My Commission will expire 8/24/10

Notary Public State of Arizona
Maricopa County
Cesar F Silvas
My Commission Expires
08/24/2010

EXHIBIT A

Loan Number: 01-009630

Date: JUNE 8, 2006

Lender: PACIFIC GOLD MORTGAGE GROUP, LLC

Borrower: CIBNEY R BELLO

Property Address: 612 N NEVADA WAY, GILBERT, ARIZONA 85233

CREDIT SCORING INFORMATION

The following consumer reporting agency(ies) provided a credit score that was used by the Lender:

☐ **Equifax Credit Information Services**
P.O. Box 740241
Atlanta, GA 30374
To order report: 1-800-685-1111
To report fraud: 1-800-525-6285
Web Site: www.equifax.com

Current/Most Recent Credit Score: Credit Score Date: Credit Score Range:

Key Factors Adversely Affecting Your Credit Score:

☐ **TransUnion Consumer Disclosure Center**
P.O. Box 1000
Chester, PA 19022
To order report: 1-800-888-4213
To report fraud: 1-800-916-8800
Web Site: www.transunion.com

Current/Most Recent Credit Score: Credit Score Date: Credit Score Range:

Key Factors Adversely Affecting Your Credit Score:

☒ **Experian National Consumer Assistance Center**
P.O. Box 2002
Allen, TX 75013
To order report: 1-888-397-3742
To report fraud: 1-888-397-3742
Web Site: www.experian.com

Current/Most Recent Credit Score: 619 Credit Score Date: 05/22/2006 Credit Score Range: 340-820

Key Factors Adversely Affecting Your Credit Score:
PROPORTION OF BALANCE TO HIGH CREDIT ON BANKING REVOLVING OR ALL REVOLVING ACCOUNTS
LENGTH OF TIME ACCOUNTS HAVE BEEN ESTABLISHED
INSUFFICIENT OR LACK OF BANK REVOLVING ACCOUNT INFORMATION
NUMBER OF ACCOUNTS WITH BALANCES

☐

Current/Most Recent Credit Score: N/A Credit Score Date: Credit Score Range:

Key Factors Adversely Affecting Your Credit Score:

EXHIBIT A-1

Loan Number: 01-009630A

Date: JUNE 8, 2006

Lender: PACIFIC GOLD MORTGAGE GROUP, LLC

Borrower: CIBNEY R BELLO

Property Address: 612 N NEVADA WAY, GILBERT, ARIZONA 85233

CREDIT SCORING INFORMATION

The following consumer reporting agency(ies) provided a credit score that was used by the Lender:

☐ **Equifax Credit Information Services**
P.O. Box 740241
Atlanta, GA 30374
To order report: 1-800-685-1111
To report fraud: 1-800-525-6285
Web Site: www.equifax.com

Current/Most Recent Credit Score: Credit Score Date: Credit Score Range:

Key Factors Adversely Affecting Your Credit Score:

☐ **TransUnion Consumer Disclosure Center**
P.O. Box 1000
Chester, PA 19022
To order report: 1-800-888-4213
To report fraud: 1-800-916-8800
Web Site: www.transunion.com

Current/Most Recent Credit Score: Credit Score Date: Credit Score Range:

Key Factors Adversely Affecting Your Credit Score:

☒ **Experian National Consumer Assistance Center**
P.O. Box 2002
Allen, TX 75013
To order report: 1-888-397-3742
To report fraud: 1-888-397-3742
Web Site: www.experian.com

Current/Most Recent Credit Score: 619 Credit Score Date: 05/22/2006 Credit Score Range: 340-820

Key Factors Adversely Affecting Your Credit Score:
PROPORTION OF BALANCE TO HIGH CREDIT ON BANKING REVOLVING OR ALL REVOLVING ACCOUNTS
LENGTH OF TIME ACCOUNTS HAVE BEEN ESTABLISHED
INSUFFICIENT OR LACK OF BANK REVOLVING ACCOUNT INFORMATION
NUMBER OF ACCOUNTS WITH BALANCES

☐

Current/Most Recent Credit Score: N/A Credit Score Date: Credit Score Range:

Key Factors Adversely Affecting Your Credit Score:

EXHIBIT B

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when ☐ the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or ☐ the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower ______________ Co-Borrower ______________

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for:	☐ VA ☐ FHA	☑ Conventional ☐ USDA/Rural Housing Service	☐ Other (explain):	Agency Case Number	Lender Case Number

Amount	Interest Rate	No. of Months	Amortization Type:
$ 276,000	6.050 %	480/480	☐ Fixed Rate ☐ GPM ☐ Other (explain): ☑ ARM (type): 2/38

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state, & ZIP): 612 N NEVADA WAY, Gilbert, AZ 85233 County: Maricopa — No. of Units: 1

Legal Description of Subject Property (attach description if necessary): SEE PRELIM — Year Built:

Purpose of Loan: ☑ Purchase ☐ Refinance ☐ Construction ☐ Construction-Permanent ☐ Other (explain):

Property will be: ☑ Primary Residence ☐ Secondary Residence ☐ Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
	$	$	$	$	$

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements ☐ made ☐ to be made
	$	$		Cost: $

Title will be held in what Name(s): CIBNEY R BELLO

Manner in which Title will be held: To be determined in escrow

Estate will be held in: ☑ Fee Simple ☐ Leasehold (show expiration date)

Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain):
Checking/Savings
SELLER CONTRIBUTION

Borrower — III. BORROWER INFORMATION — Co-Borrower

Borrower	Co-Borrower
Borrower's Name (include Jr. or Sr. if applicable): CIBNEY R BELLO	Co-Borrower's Name (include Jr. or Sr. if applicable):
Social Security Number: 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; Home Phone (incl. area code): 480-649-0024; DOB (mm/dd/yyyy): 09/10/1982; Yrs. School: 12	Social Security Number; Home Phone (incl. area code); DOB (mm/dd/yyyy); Yrs. School
☑ Married ☐ Unmarried (include single, divorced, widowed) ☐ Separated; Dependents (not listed by Co-Borrower) no. 0 ages ----	☐ Married ☐ Unmarried (include single, divorced, widowed) ☐ Separated; Dependents (not listed by Borrower) no. ages
Present Address (street, city, state, ZIP) ☐ Own ☑ Rent 1 No. Yrs.: 1464 S STAPLEY DR # 1120, Mesa, AZ 85203	Present Address (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.
Mailing Address, if different from Present Address	Mailing Address, if different from Present Address

If residing at present address for less than two years, complete the following:

Borrower	Co-Borrower
Former Address (street, city, state, ZIP) ☐ Own ☑ Rent 2 No. Yrs.: 738 E HOPE ST, Mesa, AZ 85203	Former Address (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.
Former Address (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.	Former Address (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.

IV. EMPLOYMENT INFORMATION

Borrower			Co-Borrower		
Name & Address of Employer JOSE DIAZ TILE CONTRACTOR INC 1701 W DRAKE DR Tempe, AZ 85283	☐ Self Employed	Yrs. on this job 2 yr(s) Yrs. employed in this line of work/profession 4	Name & Address of Employer	☐ Self Employed	Yrs. on this job Yrs. employed in this line of work/profession
Position/Title/Type of Business FOREMAN		Business Phone (incl. area code) 480-820-9441	Position/Title/Type of Business		Business Phone (incl. area code)

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Borrower			Co-Borrower		
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	$ 6,000.00	$	$ 6,000.00	Rent	$ 949.00	
Overtime				First Mortgage (P&I)		$ 1,528.22
Bonuses				Other Financing (P&I)		654.50
Commissions				Hazard Insurance		70.47
Dividends/Interest				Real Estate Taxes		215.63
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues		36.00
				Other:		
Total	$ 6,000.00	$	$ 6,000.00	Total	$ 949.00	$ 2,504.82

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income *Notice:* Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C		Monthly Amount
		$

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed by that spouse or other person also.

Completed ☑ Jointly ☐ Not Jointly

ASSETS Description	Cash or Market Value
Cash deposit toward purchase held by: EARNEST MONEY	$ 2,500
List checking and savings accounts below	
Name and address of Bank, S&L, or Credit Union: BANK OF AMERICA	
Acct. no.	$ 500
Name and address of Bank, S&L, or Credit Union	
Acct. no.	$
Name and address of Bank, S&L, or Credit Union	
Acct. no.	$
Stocks & Bonds (Company name/number description)	$
Life insurance net cash value Face amount: $	$
Subtotal Liquid Assets	$ 3,000
Real estate owned (enter market value from schedule of real estate owned)	$
Vested interest in retirement fund	$
Net worth of business(es) owned (attach financial statement)	$
Automobiles owned (make and year): 2000 LEXUS	$ 15,000
Other Assets (itemize): MISC	$ 20,000
Total Assets a.	$ 38,000

Liabilities and Pledged Assets. List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.

LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Company: AMERICAN GRL FINANCE Acct. no. 120500900427385O3	$ Payment/Months 220	$ 7,040
Name and address of Company: CARICO INTL Acct. no. 44963	$ Payment/Months 68	$ 1,294
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Alimony/Child Support/Separate Maintenance Payments Owed to:	$	
Job-Related Expense (child care, union dues, etc.)	$	
Total Monthly Payments	$ 288	
Net Worth (a minus b) $ 29,666	**Total Liabilities b.**	$ 8,334

Schedule of Real Estate Owned (If additional properties are owned, use continuation sheet)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		$	$	$	$	$	$
	Totals	$	$	$	$	$	$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION

a. Purchase price	$ 345,000.00
b. Alterations, improvements, repairs	
c. Land (if acquired separately)	
d. Refinance (incl. debts to be paid off)	
e. Estimated prepaid items	2,399.69
f. Estimated closing costs	4,111.00
g. PMI, MIP, Funding Fee	
h. Discount (if Borrower will pay)	
i. Total costs (add items a through h)	351,510.69
j. Subordinate financing	69,000.00
k. Borrower's closing costs paid by Seller	6,000.00
l. Other Credits (explain) Cash Deposit	2,500.00
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	276,000.00
n. PMI, MIP, Funding Fee financed	
o. Loan amount (add m & n)	276,000.00
p. Cash from/to Borrower (subtract j, k, l & o from i)	-1,989.31

VIII. DECLARATIONS

If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.	Borrower Yes	Borrower No	Co-Borrower Yes	Co-Borrower No
a. Are there any outstanding judgments against you?	☐	☑	☐	☐
b. Have you been declared bankrupt within the past 7 years?	☐	☑	☐	☐
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	☐	☑	☐	☐
d. Are you a party to a lawsuit?	☐	☑	☐	☐
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)	☐	☑	☐	☐
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.	☐	☑	☐	☐
g. Are you obligated to pay alimony, child support, or separate maintenance?	☐	☑	☐	☐
h. Is any part of the down payment borrowed?	☐	☑	☐	☐
i. Are you a co-maker or endorser on a note?	☐	☑	☐	☐
j. Are you a U. S. citizen?	☐	☑	☐	☐
k. Are you a permanent resident alien?	☑	☐	☐	☐
l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.	☑	☐	☐	☐
m. Have you had an ownership interest in a property in the last three years?	☑	☐	☐	☐
(1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)?	PR			
(2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	S			

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature	Date	Co-Borrower's Signature	Date
X		X	

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

	BORROWER	CO-BORROWER
	☐ I do not wish to furnish this information	☐ I do not wish to furnish this information
Ethnicity:	☑ Hispanic or Latino ☐ Not Hispanic or Latino	☐ Hispanic or Latino ☐ Not Hispanic or Latino
Race:	☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☑ White	☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☐ White
Sex:	☐ Female ☑ Male	☐ Female ☐ Male

To be Completed by Interviewer		Name and Address of Interviewer's Employer
This application was taken by:	Interviewer's Name (print or type) EMMA MARTINEZ	
☑ Face-to-face interview ☐ Mail	Interviewer's Signature / Date	
☐ Telephone ☐ Internet	Interviewer's Phone Number (incl. area code) 602-424-0434	

EXHIBIT B - 1

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when ☐ the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or ☐ the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower ______________ Co-Borrower ______________

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for: ☐ VA ☐ FHA ☑ Conventional ☐ USDA/Rural Housing Service ☐ Other (explain):

Agency Case Number:

Lender Case Number:

Amount	Interest Rate	No. of Months	Amortization Type:
$ 69,000	10.950 %	360/360	☐ Fixed Rate ☐ GPM ☐ Other (explain): ☑ ARM (type): 2/38

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state, & ZIP): 612 N NEVADA WAY, Gilbert, AZ 85233 County: Maricopa

No. of Units: 1

Legal Description of Subject Property (attach description if necessary): SEE PRELIM

Year Built:

Purpose of Loan: ☑ Purchase ☐ Refinance ☐ Construction ☐ Construction-Permanent ☐ Other (explain):

Property will be: ☑ Primary Residence ☐ Secondary Residence ☐ Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
	$	$	$	$	$

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements ☐ made ☐ to be made
	$	$		Cost: $

Title will be held in what Name(s): CIBNEY R BELLO

Manner in which Title will be held: To be determined in escrow

Estate will be held in: ☑ Fee Simple ☐ Leasehold (show expiration date)

Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain):
Checking/Savings
SELLER CONTRIBUTION

III. BORROWER INFORMATION

	Borrower	Co-Borrower
Name (include Jr. or Sr. if applicable)	CIBNEY R BELLO	
Social Security Number	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	
Home Phone (incl. area code)	480-649-0024	
DOB (mm/dd/yyyy)	09/10/1982	
Yrs. School	12	
Marital status	☑ Married ☐ Separated ☐ Unmarried (include single, divorced, widowed)	☐ Married ☐ Separated ☐ Unmarried (include single, divorced, widowed)
Dependents (not listed by other)	no. 0 ages ----	no. ages
Present Address (street, city, state, ZIP)	1464 S STAPLEY DR # 1120 Mesa, AZ 85203 — ☐ Own ☑ Rent 1 No. Yrs.	☐ Own ☐ Rent ___ No. Yrs.
Mailing Address, if different from Present Address		

If residing at present address for less than two years, complete the following:

	Borrower	Co-Borrower
Former Address (street, city, state, ZIP)	738 E HOPE ST Mesa, AZ 85203 — ☐ Own ☑ Rent 2 No. Yrs.	☐ Own ☐ Rent ___ No. Yrs.
Former Address (street, city, state, ZIP)	☐ Own ☐ Rent ___ No. Yrs.	☐ Own ☐ Rent ___ No. Yrs.

Borrower — IV. EMPLOYMENT INFORMATION — Co-Borrower

Borrower			Co-Borrower		
Name & Address of Employer JOSE DIAZ TILE CONTRACTOR INC 1701 W DRAKE DR Tempe, AZ 85283	☐ Self Employed	Yrs. on this job 2 yr(s) Yrs. employed in this line of work/profession 4	Name & Address of Employer	☐ Self Employed	Yrs. on this job Yrs. employed in this line of work/profession
Position/Title/Type of Business FOREMAN		Business Phone (incl. area code) 480-820-9441	Position/Title/Type of Business		Business Phone (incl. area code)

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Borrower			Co-Borrower		
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $	Name & Address of Employer	☐ Self Employed	Dates (from-to) Monthly Income $
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	$ 6,000.00	$	$ 6,000.00	Rent	$ 949.00	
Overtime				First Mortgage (P&I)		$ 1,528.22
Bonuses				Other Financing (P&I)		654.50
Commissions				Hazard Insurance		70.47
Dividends/Interest				Real Estate Taxes		215.63
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues		36.00
				Other:		
Total	$ 6,000.00	$	$ 6,000.00	Total	$ 949.00	$ 2,504.82

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income *Notice:* Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C		Monthly Amount
		$

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed by that spouse or other person also.

Completed [X] Jointly [ ] Not Jointly

ASSETS Description	Cash or Market Value
Cash deposit toward purchase held by:	$
List checking and savings accounts below	
Name and address of Bank, S&L, or Credit Union BANK OF AMERICA	
Acct. no.	$ 500
Name and address of Bank, S&L, or Credit Union	
Acct. no.	$
Name and address of Bank, S&L, or Credit Union	
Acct. no.	$
Stocks & Bonds (Company name/number description)	$
Life insurance net cash value Face amount: $	$
Subtotal Liquid Assets	$ 500
Real estate owned (enter market value from schedule of real estate owned)	$
Vested interest in retirement fund	$
Net worth of business(es) owned (attach financial statement)	$
Automobiles owned (make and year) 2000 LEXUS	$ 15,000
Other Assets (itemize) MISC	$ 20,000
Total Assets a.	$ 35,500

Liabilities and Pledged Assets. List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.

LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Company AMERICAN GRL FINANCE Acct. no. 12050090042738503	$ Payment/Months 220	$ 7,040
Name and address of Company CARICO INTL Acct. no. 44963	$ Payment/Months 68	$ 1,294
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Alimony/Child Support/Separate Maintenance Payments Owed to:	$	
Job-Related Expense (child care, union dues, etc.)	$	
Total Monthly Payments	$ 288	
Net Worth (a minus b) $ 27,166	Total Liabilities b.	$ 8,334

Schedule of Real Estate Owned (if additional properties are owned, use continuation sheet)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		$	$	$	$	$	$
	Totals	$	$	$	$	$	$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION

a. Purchase price	$ 345,000.00
b. Alterations, improvements, repairs	
c. Land (if acquired separately)	
d. Refinance (incl. debts to be paid off)	
e. Estimated prepaid items	
f. Estimated closing costs	1,076.00
g. PMI, MIP, Funding Fee	
h. Discount (if Borrower will pay)	
i. Total costs (add items a through h)	346,076.00
j. Subordinate financing	
k. Borrower's closing costs paid by Seller	
l. Other Credits (explain) New First Mortgage	276,000.00
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	69,000.00
n. PMI, MIP, Funding Fee financed	
o. Loan amount (add m & n)	69,000.00
p. Cash from/to Borrower (subtract j, k, l & o from i)	1,076.00

VIII. DECLARATIONS

If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.

	Borrower Yes	Borrower No	Co-Borrower Yes	Co-Borrower No
a. Are there any outstanding judgments against you?	☐	☑	☐	☐
b. Have you been declared bankrupt within the past 7 years?	☐	☑	☐	☐
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	☐	☑	☐	☐
d. Are you a party to a lawsuit?	☐	☑	☐	☐
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)	☐	☑	☐	☐
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.	☐	☑	☐	☐
g. Are you obligated to pay alimony, child support, or separate maintenance?	☐	☑	☐	☐
h. Is any part of the down payment borrowed?	☐	☑	☐	☐
i. Are you a co-maker or endorser on a note?	☐	☑	☐	☐
j. Are you a U. S. citizen?	☐	☑	☐	☐
k. Are you a permanent resident alien?	☑	☐	☐	☐
l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.	☑	☐	☐	☐
m. Have you had an ownership interest in a property in the last three years?	☑	☐	☐	☐
(1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)?	PR			
(2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	S			

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature	Date	Co-Borrower's Signature	Date
X		X	

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

BORROWER	☐ I do not wish to furnish this information			CO-BORROWER	☐ I do not wish to furnish this information		
Ethnicity:	☑ Hispanic or Latino	☐ Not Hispanic or Latino		Ethnicity:	☐ Hispanic or Latino	☐ Not Hispanic or Latino	
Race:	☐ American Indian or Alaska Native	☐ Asian	☐ Black or African American	Race:	☐ American Indian or Alaska Native	☐ Asian	☐ Black or African American
	☐ Native Hawaiian or Other Pacific Islander	☑ White			☐ Native Hawaiian or Other Pacific Islander	☐ White	
Sex:	☐ Female	☑ Male		Sex:	☐ Female	☐ Male	

To be Completed by Interviewer	Interviewer's Name (print or type)	Name and Address of Interviewer's Employer
This application was taken by:	EMMA MARTINEZ	
☑ Face-to-face interview	Interviewer's Signature Date	
☐ Mail		
☐ Telephone	Interviewer's Phone Number (incl. area code)	
☐ Internet	602-424-0434	

EXHIBIT C

GOOD FAITH ESTIMATE

Applicants: CIBNEY R BELLO
Property Addr: 612 N NEVADA WAY, Gilbert, AZ 85233
Prepared By:

Application No: BELLOCIBNEY80
Date Prepared: 06/08/2006
Loan Program:

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount $ 276,000 Interest Rate: 6.050 % Term: 480 / 480 mths

				PFC	S	F	POC
800	**ITEMS PAYABLE IN CONNECTION WITH LOAN:**						
801	Loan Origination Fee	$					
802	Loan Discount						
803	Appraisal Fee		(350.00)				✓
804	Credit Report						
805	Lender's Inspection Fee						
808	Mortgage Broker Fee						
809	Tax Related Service Fee		75.00				
810	Processing Fee		695.00				
811	Underwriting Fee		450.00				
812	Wire Transfer Fee						
	LENDER FEE		375.00				
	APPLICATION FEE		295.00				
	WAREHOUSE LINE		150.00				
	DOC. PREP. FEE		50.00				
	FLOOD CERTIFICATION FEE		15.00				
	SHIPPING FEE		25.00				
1100	**TITLE CHARGES:**						
1101	Closing or Escrow Fee:	$	694.00				
1105	Document Preparation Fee						
1106	Notary Fees		150.00				
1107	Attorney Fees						
1108	Title Insurance:		772.00				
	ENDORSEMENT FEE		150.00				
	EMAIL DOC FEE		25.00				
	WIRE FEE		40.00				
	COURIER FEE		80.00				
1200	**GOVERNMENT RECORDING & TRANSFER CHARGES:**						
1201	Recording Fees:	$	55.00				
1202	City/County Tax/Stamps:						
1203	State Tax/Stamps:						
1300	**ADDITIONAL SETTLEMENT CHARGES:**						
1302	Pest Inspection	$					
	ELECTRONIC RECORDING		15.00				
	Estimated Closing Costs		4,111.00				

							PFC	S	F	POC
900	**ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:**									
901	Interest for	15 days @ $	46.3833	per day	$	695.75				
902	Mortgage Insurance Premium									
903	Hazard Insurance Premium					845.64				
904										
905	VA Funding Fee									
1000	**RESERVES DEPOSITED WITH LENDER:**									
1001	Hazard Insurance Premiums	3 months @ $	70.47	per month	$	211.41				
1002	Mortgage Ins. Premium Reserves	months @ $		per month						
1003	School Tax	months @ $		per month						
1004	Taxes and Assessment Reserves	3 months @ $	215.63	per month		646.89				
1005	Flood Insurance Reserves	months @ $		per month						
		months @ $		per month						
		months @ $		per month						
	Estimated Prepaid Items/Reserves					2,399.69				
TOTAL ESTIMATED SETTLEMENT CHARGES						6,510.69				

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE:				TOTAL ESTIMATED MONTHLY PAYMENT:	
Purchase Price/Payoff (+)	345,000.00	New First Mortgage(-)		Principal & Interest	1,528.22
Loan Amount (-)	276,000.00	Sub Financing(-)	69,000.00	Other Financing (P & I)	654.50
Est. Closing Costs (+)	4,111.00	New 2nd Mtg Closing Costs(+)		Hazard Insurance	70.47
Est. Prepaid Items/Reserves (+)	2,399.69			Real Estate Taxes	215.63
Amount Paid by Seller (-)	6,000.00			Mortgage Insurance	
Cash Deposit	-2,500.00			Homeowner Assn. Dues	36.00
				Other	
Total Est. Funds to you			1,989.31	Total Monthly Payment	2,504.82

These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the Consumer Handbook on ARM Mortgages.

Applicant CIBNEY R BELLO Date Applicant Date

Calyx Form gfe2.frm 11/01

EXHIBIT C - 1

GOOD FAITH ESTIMATE

Applicants: CIBNEY R BELLO
Property Addr: 612 N NEVADA WAY, Gilbert, AZ 85233
Prepared By:

Application No: BELLOCIBNEY20
Date Prepared: 06/08/2006
Loan Program:

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount $ 69,000 Interest Rate: 10.950 % Term: 360 / 360 mths

800	ITEMS PAYABLE IN CONNECTION WITH LOAN:			PFC S F POC
801	Loan Origination Fee	$		
802	Loan Discount			
803	Appraisal Fee			
804	Credit Report			
805	Lender's Inspection Fee			
808	Mortgage Broker Fee			
809	Tax Related Service Fee			
810	Processing Fee		299.00	
811	Underwriting Fee			
812	Wire Transfer Fee			
	FLOOD CERTIFICATION FEE		5.00	
1100	TITLE CHARGES:			PFC S F POC
1101	Closing or Escrow Fee:	$	300.00	
1105	Document Preparation Fee			
1106	Notary Fees			
1107	Attorney Fees			
1108	Title Insurance:		302.00	
	ENDORSEMENT FEE		100.00	
	WIRE FEE		20.00	
	EMAIL DOC FEE		25.00	
1200	GOVERNMENT RECORDING & TRANSFER CHARGES			PFC S F POC
1201	Recording Fees:	$	25.00	
1202	City/County Tax/Stamps:			
1203	State Tax/Stamps:			
1300	ADDITIONAL SETTLEMENT CHARGES:			PFC S F POC
1302	Pest Inspection	$		
	Estimated Closing Costs		1,076.00	
900	ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			PFC S F POC
901	Interest for days @ $ 20.9875 per day	$		
902	Mortgage Insurance Premium			
903	Hazard Insurance Premium			
904				
905	VA Funding Fee			
1000	RESERVES DEPOSITED WITH LENDER:			PFC S F POC
1001	Hazard Insurance Premiums months @ $ 70.47 per month	$		
1002	Mortgage Ins. Premium Reserves months @ $ per month			
1003	School Tax months @ $ per month			
1004	Taxes and Assessment Reserves months @ $ 215.63 per month			
1005	Flood Insurance Reserves months @ $ per month			
	months @ $ per month			
	months @ $ per month			
	Estimated Prepaid Items/Reserves			
	TOTAL ESTIMATED SETTLEMENT CHARGES		1,076.00	

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE:				TOTAL ESTIMATED MONTHLY PAYMENT:	
Purchase Price/Payoff (+)	345,000.00	New First Mortgage(-)	276,000.00	Principal & Interest	1,528.22
Loan Amount (-)	69,000.00	Sub Financing(-)		Other Financing (P & I)	654.50
Est. Closing Costs (+)	1,076.00	*New 1st Mtg Closing Costs(+)*		Hazard Insurance	70.47
Est. Prepaid Items/Reserves (+)	0.00			Real Estate Taxes	215.63
Amount Paid by Seller (-)				Mortgage Insurance	
				Homeowner Assn. Dues	36.00
				Other	
Total Est. Funds needed to close			1,076.00	*Total Monthly Payment*	2,504.82

These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, *if your application is to purchase residential real property* and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the Consumer Handbook on ARM Mortgages.

Applicant CIBNEY R BELLO Date Applicant Date

Calyx Form gfe2.frm 11/01

EXHIBIT D

A. Settlement Statement

U.S. Department of Housing and Urban Development

OMB Approval No. 2502-0265

B. Type of Loan

1. ☐ FHA 2. ☐ FmHA 3. ☒ Conv. Unins.
4. ☐ VA 5. ☐ Conv. Ins.

6. File Number:

7. Loan Number: 01-009630

8. Mortgage Insurance Case Number:

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:
CIBNEY R BELLO
612 N NEVADA WAY
GILBERT, ARIZONA 85233

E. Name & Address of Seller:

F. Name & Address of Lender:
PACIFIC GOLD MORTGAGE GROUP, LLC
2828 N. CENTRAL AVE STE 100
PHOENIX, ARIZONA 85004

G. Property Location:
612 N NEVADA WAY
GILBERT, ARIZONA 85233

H. Settlement Agent: CAMELBACK TITLE AGENCY

Place of Settlement:
2920 N. 7TH STREET SUITE 110
PHOENIX, AZ 85012

I. Settlement Date: 06/08/2006

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		**400. Gross Amount Due to Seller**	
101. Contract sales price	345,000.00	401. Contract sales price	345,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	8,914.56	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		**Adjustments for items paid by seller in advance**	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	353,914.56	420. Gross Amount Due To Seller	345,000.00
200. Amounts Paid By Or In Behalf Of Borrower		**500. Reductions In Amount Due To Seller**	
201. Deposit or earnest money	2,500.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	276,000.00	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. Second mortgage loan	69,000.00	504. Payoff of first mortgage loan	
		Principal Balance $	
		Interest Adjustment $	
		Reserves ☐ Credit ☐ Deficit $	
205. SELLER CONTRIBUTION	6,000.00	505. Payoff of second mortgage loan	
		Principal Balance $	
		Interest Adjustment $	
206.		506. Second mortgage loan to Borrower	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		**Adjustments for items unpaid by seller**	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	353,500.00	520. Total Reduction Amount Due Seller	.00
300. Cash At Settlement From/To Borrower		**600. Cash At Settlement To/From Seller**	
301. Gross Amount due from borrower (line 120)	353,914.56	601. Gross amount due to seller (line 420)	345,000.00
302. Less amounts paid by/for borrower (line 220)	353,500.00	602. Less reductions in amt. due seller (line 520)	.00
303. Cash ☒ From ☐ To Borrower	414.56	603. Cash ☒ To ☐ From Seller	345,000.00

L. Settlement Charges		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700.	Total Sales/Broker's Commission based on price $ @ % =		
	Division of Commission (line 700) as follows:		
701.	$ to		
702.	$ to		
703.	Commission paid at Settlement		
704.			
800.	Items Payable in Connection With Loan		
801.	Loan Origination Fee		
802.	Loan Discount $2,951.50 to: PACIFIC GOLD MORTGAGE GROUP, LLC	2,951.50	
803.	Appraisal Fee to: DIAMOND HOME APPRAISALS 350.00 POC/B		
804.	Credit Report		
805.	Lender's Inspection Fee		
806.	Mortgage Insurance Application Fee		
807.	Assumption Fee		
808.	TAX SERVICE FEE to: PGMG, LLC	75.00	
809.	PROCESSING FEE to: PACIFIC GOLD MORTGAGE GROUP, LLC	695.00	
810.	UNDERWRITING FEE to: PGMG, LLC	450.00	
811.	LENDER FEE to: PGMG, LLC	375.00	
812.	APPLICATION FEE to: PACIFIC GOLD MORTGAGE GROUP, LLC	295.00	
813.	WAREHOUSE LINE to: PGMG, LLC	150.00	
814.	DOC. PREP. FEE to: PGMG, LLC	50.00	
815.	WIRE FEE to: CAMELBACK TITLE AGENCY	40.00	
816.	ENDORSEMENT FEE to: CAMELBACK TITLE AGENCY	150.00	
817.	EMAIL DOC FEE to: CAMELBACK TITLE AGENCY	25.00	
900.	Items Required By Lender To Be Paid In Advance		
901.	Interest from 06/09/06 to 07/01/06 @ $ 45.7479 /day	1,006.45	
902.	Mortgage Insurance Premium for months to		
903.	Hazard Insurance Premium for years to ALLSTATE INDEMNITY	845.61	
904.	years to		
905.			
1000.	Reserves Deposited With Lender		
1001.	Hazard insurance months @ $ per month		
1002.	Mortgage insurance months @ $ per month		
1003.	City property taxes months @ $ per month		
1004.	County property taxes months @ $ per month		
1005.	Annual assessments months @ $ per month		
1006.	months @ $ per month		
1007.	months @ $ per month		
1008.	months @ $ per month		
1009.			
1100.	Title Charges		
1101.	Settlement or closing fee to: CAMELBACK TITLE AGENCY	694.00	
1102.	Abstract or title search		
1103.	Title examination		
1104.	Title insurance binder		
1105.	Document preparation		
1106.	Notary fees to: CAMELBACK TITLE AGENCY	150.00	
1107.	Attorney's fees		
	(includes above items numbers:)		
1108.	Title insurance to: CAMELBACK TITLE AGENCY	772.00	
	(includes above items numbers:)		
1109.	Lender's coverage $		
1110.	Owner's coverage $		
1111.			
1112.			
1113.			
1200.	Government Recording and Transfer Charges		
1201.	Recording fees: Deed $; Mortgage $; Releases $	55.00	
1202.	City/county tax/stamps: Deed $; Mortgage $		
1203.	State tax/stamps: Deed $; Mortgage $		
1204.			
1205.			
1300.	Additional Settlement Charges		
1301.	Survey		
1302.	Pest inspection		
1303.	MESSENGER FEE to: CAMELBACK TITLE AGENCY	80.00	
1304.	ELECTRONIC RECORDING FEE to: CAMELBACK TITLE AGENCY	15.00	
1305.	FLOOD CERTIFICATION FEE to: PGMG, LLC	15.00	
1400.	Total Settlement Charges (enter on lines 103, Section J and 502, Section K) **	8,914.56	

**SEE ATTACHED ADDENDUM TO HUD-1

form HUD-1 (3/86)
ref. Handbook 4305.2
Previous editions are obsolete

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ADDENDUM TO HUD-1

Loan Number: 01-009630

File Number:

Borrower: CIBNEY R BELLO

	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
1300. ADDITIONAL SETTLEMENT CHARGES		
SHIPPING FEE to: PGMG, LLC	25.00	

Signature CIBNEY R BELLO	Date	Signature	Date
Signature	Date	Signature	Date
Signature	Date	Signature	Date